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Agenda item 137
**United Nations pension system**

# United Nations pension system

## Report of the Fifth Committee

*Rapporteur*: Ms. Nicole Ann **Mannion** (Ireland)

## I. Introduction

1. At its 2nd plenary meeting, on 17 September 2010, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-fifth session the item entitled "United Nations pension system" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 16th and 25th meetings, on 16 November and 16 December 2010. Comments and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/65/SR.16 and 25).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the United Nations Joint Staff Pension Board on its fifty-seventh session;[1]

(b) Report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase diversification (A/C.5/65/2);

(c) Report of the Secretary-General on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (A/C.5/65/3);

(d) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/65/567).

[1] *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 9* (A/65/9).



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4. At the 16th meeting, on 16 November, the Chair of the United Nations Joint Staff Pension Board introduced the report of the Board (see A/C.5/65/SR.16).

## II. Consideration of draft resolution A/C.5/65/L.8

5. At its 25th meeting, on 16 December, the Committee had before it a draft resolution entitled "United Nations pension system" (A/C.5/65/L.8), submitted by the Chair on the basis of informal consultations.

6. At the same meeting, the Committee adopted draft resolution A/C.5/65/L.8 without a vote (see para. 8).

7. The recommendation of the Fifth Committee on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (A/C.5/65/3) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/65/567) will be contained in the report of the Fifth Committee on agenda item 129, Programme budget for the biennium 2010-2011.

# III. Recommendation of the Fifth Committee

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

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*The General Assembly*,

*Recalling* its resolutions 61/240 of 22 December 2006, 62/241 of 22 December 2007, 63/252 of 24 December 2008 and section II of its resolution 64/245 of 24 December 2009,

*Having considered* the report of the United Nations Joint Staff Pension Board for 2010,[1] including the financial statements of the United Nations Joint Staff Pension Fund for the biennium ended 31 December 2009, the audit opinion and report of the Board of Auditors thereon and the information provided on the internal audits of the Fund and the observations of the Board and of the Audit Committee, the reports of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase diversification[2] and on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board,[3] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[4]

1. *Takes note* of the report of the United Nations Joint Staff Pension Board,[1] in particular the actions taken by the Board as set out in chapter II.B of the report;

2. *Notes with concern* that the Board of Auditors issued a modified audit opinion on the financial statements of the United Nations Joint Staff Pension Fund for the biennium ended 31 December 2009[5] with one emphasis of matter on the management of investments, and requests the Secretary-General to implement the recommendations of the Board without further delay;

3. *Expresses concern* at the results of the actuarial valuation of the United Nations Joint Staff Pension Fund, which revealed a deficit of 0.38 per cent of pensionable remuneration as at 31 December 2009, which was the Fund's first deficit in seven consecutive actuarial valuations;

4. *Endorses* the recommendation of the Advisory Committee on Administrative and Budgetary Questions;[4]

### Administrative arrangements, revised budget and longer-term objectives of the United Nations Joint Staff Pension Fund

5. *Takes note* of the information set out in paragraphs 130 to 140 of the report of the United Nations Joint Staff Pension Board on the revised budget estimates for the biennium 2010-2011;

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[1] *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 9* (A/65/9).
[2] A/C.5/65/2.
[3] A/C.5/65/3.
[4] A/65/567.
[5] See *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 9* (A/65/9), annex X.

6. *Approves* the recommendation of the United Nations Joint Staff Pension Board that the total appropriation of 176,318,500 United States dollars remain unchanged and that the requirements of the Fund be met through redeployment, with revised administrative costs, investment costs, audit costs and Board expenses as set out in annex XIX to the report of the Board;

**Investments of the United Nations Joint Staff Pension Fund**

7. *Takes note* of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase diversification[2] and the observations of the United Nations Joint Staff Pension Board, as set out in its report;

8. *Recalls* its resolution 33/121 B of 19 December 1978;

9. *Requests* the Secretary-General, as fiduciary for the investment of the assets of the Fund, to continue to diversify its investments between developed, developing and emerging markets, wherever this serves the interests of the participants and the beneficiaries of the Fund, and also requests the Secretary-General to ensure that decisions concerning the investments of the Fund in any country are implemented prudently, taking fully into account the four main criteria for investment, namely, safety, profitability, liquidity and convertibility, under the current volatile market conditions;

10. *Supports* the recommendations of the Board that more detailed disclosures be provided in the future.